

June 17,
2021

Economy

Quitting IMF programme not possible now: Tarin

Economy | Neutral

Ruling out any disagreement, Finance Minister Shaukat Tarin has said that it is not possible for Pakistan to get out of the International Monetary Fund (IMF) programme at this time when the economy is reviving. (Dawn) | [Click for more info.](#)

Economic growth volatile over past half a century: ADB report

Economy | Neutral

The government of Pakistan is taking on a wide range of structural reforms - covering consolidating fiscal conditions, strengthening corporate governance of State-Owned Enterprises (SOEs), and improving the investment climate, which are expected to address the chronic balance of payments problems and build more sustained and stable growth, says the Asian Development Bank (ADB). (BR) | [Click for more info.](#)

Govt raises Rs1.09trln through MTBs auction

Economy | Positive

The government on Wednesday raised Rs1.09 trillion through the auction of the Market Treasury Bills (MTBs) against the target of Rs1.10 trillion to finance fiscal deficit. The cutoff yield on the three-month paper slightly fell two basis points to 7.3259 percent. (The News) | [Click for more info.](#)

Senate body rejects uniform GST rate

Economy | Neutral

The senate standing committee on finance has rejected the government's proposals in the finance bill 2021/22 to apply standard general sales tax rate of 17 percent on gold, diamonds, precious stones, dairy products, bricks, aircraft, plants and machinery. (The News) | [Click for more info.](#)

Rupee continues to fall with big losses against all major currencies

Economy | Negative

The Pakistani Rupee (PKR) has been posting significant back-to-back losses against the US Dollar (USD) this week. It crossed the Rs. 156 exchange rate on Monday, deepened the losses on Tuesday, and closed at nearly Rs. 157 today. (Propakistani) | [Click for more info.](#)

Rs900bn PSDP allocation; 70pc funds to be spent on ongoing projects

Economy | Neutral

The Ministry of Planning, Development and Special Initiatives Wednesday informed that 70 percent of Rs900 billion allocated under the Public Sector Development Programme (PSDP) 2021-22 would be spent on ongoing projects as throw forward of development projects crossed Rs6 trillion. (BR) | [Click for more info.](#)

Power

Payment to IPPs established under 2002 policy: ECC defers its decision

IPPs | Negative

The Economic Coordination Committee (ECC) is said to have deferred its decision regarding payment to Independent Power Producers (IPPs) established under Power Policy 2002, well-informed sources in Finance Ministry told. (BR) | [Click for more info.](#)

Azhar to sort out matters relating to KE

KEL | Neutral

The federal government has reportedly given the lead role to Minister for Energy, Hammad Azhar in resolution of issues relating to issuance of National Security Certificate (NSC) and other outstanding issues of payables and receivables of Karachi Electric (KE). (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	33,053.8	32,943.1	-110.8	-0.3%
KSE100	48,632.6	48,480.9	-151.7	-0.3%
KSE30	19,625.0	19,547.8	-77.3	-0.4%
KMI30	79,900.2	79,355.8	-544.5	-0.7%

Top Five Gainers

	Open	Close	Chg.	%
PAKT	1,310.0	1,370.0	60.0	4.6%
WYETH	2,196.8	2,243.4	46.6	2.1%
SFL	762.0	800.0	38.0	5.0%
SRVI	591.7	612.3	20.6	3.5%
NESTLE	5,730.0	5,750.0	20.0	0.3%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	4.7	4.5	-0.2	114.97
WTL	4.0	3.8	-0.1	87.35
BYCO	13.0	12.9	-0.2	63.18
HASCOL	11.9	12.3	0.3	52.91
GGGL	24.3	26.1	1.8	33.46

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.02	-0.57	-0.55
F-Corporates	3.06	-4.16	-1.10
O/S Pakistanies	7.16	-7.68	-0.52
Net	10.24	-12.41	-2.17
LIPI			
Individuals	123.82	-117.78	6.03
Companies	6.37	-6.84	-0.47
Comm. Banks	3.73	-2.00	1.73
NBFC	0.04	-0.07	-0.03
Mutual Funds	4.67	-8.55	-3.88
Other	0.52	-0.64	-0.13
Brokers Proprietary	25.38	-26.44	-1.06
Insurance	6.09	-6.12	-0.03
Net	170.62	-168.45	2.17

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	72.15	0.0%
Brent oil	USD/bbl.	74.39	0.5%
Gold	USD/t oz.	1811.47	-2.6%
Silver	USD/t oz.	26.98	-2.5%
Coal	USD/ton	114.15	-0.1%
Steel Scrap (LME)	USD/ton	502.50	0.0%
Steel Rebar (LME)	USD/ton	725.00	0.7%
USD/PKR	Interbank	157.03	0.1%

News Source: Local / Int'l Newspapers and websites

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REP-055



Banks

SBP allows HBL, Bank Alfalah to conduct Silkbank's due diligence

SILK | Neutral

The central bank has green-signaled Habib Bank and Bank Alfalah to validate the business viability of Silkbank's consumer banking portfolio put for sale following a recent withdrawal of a multi-industry company from the deal. (The News) | [Click for more info.](#)

Banks can now charge fee on interbank funds transfers above Rs. 25,000

Banks | Positive

The central bank directed banks to provide free-of-cost digital fund transfer services to individual customers up to a minimum aggregate sending limit of Rs. 25,000 per month per account/wallet. However, banks may choose to set this aggregate limit at a higher amount as well. This would allow individual customers to make as many free fund transfer transactions, remaining within their aggregate monthly limit of free transfers. For transactions above the aggregate limit of Rs. 25,000 per account in a month, banks may charge individual customers a transaction fee of no more than 0.1 percent of the transaction amount or Rs. 200, whichever is lower. (Propakistani) | [Click for more info.](#)

Miscellaneous

Citi Pharma Raises Rs. 2.32 Billion in 2021's Single Largest IPO

Citi Pharma | Positive

The book-building process of Citi Pharma's Initial Public Offer (IPO) has concluded with an oversubscription of 2 times. "The IPO received an overwhelming response from institutional investors and high-net-worth individuals as the strike price clocked in at Rs. 32 per share, 14.3 percent higher than the floor price of Rs. 28," the leading API manufacturer of the country said in a statement. (Propakistani) | [Click for more info.](#)

ECC approves \$17.3 million for PIA to pay-off Roosevelt Hotel's liabilities

PIAA | Positive

The ECC approved \$17.3 million for PIA-IL for the payment of recurring and one-off liabilities in respect of the Roosevelt Hotel New York, USA, as verified by the Auditor and recommended by the PIA-IL Board. (Propakistani) | [Click for more info.](#)

Production of home appliances soars

PAEL, WAVES | Positive

Easing of lockdown and rising heatwave have caused a sharp rise in production of home appliances with refrigerators hitting a 32-month high in April, followed by 19-month high in air conditioners and 22-month in deep freezers. Production of refrigerators during April soared to 131,953 units from 6,996 units in April 2020 while in March the production was 119,535 units, showed Large-Scale Manufacturing (LSM) data. (Dawn) | [Click for more info.](#)

Coca-Cola Pakistan to invest \$50mln

Economy | Neutral

Coca-Cola Beverages Pakistan Limited (CCI Pakistan) has announced an investment of \$50 million in Pakistan. (The News) | [Click for more info.](#)

International News

Oil settles near \$75, at multi-year highs

Oil prices rose for a fifth day on Wednesday, closing in on \$75 a barrel as U.S. refiners drew more crude inventories to ramp up activity and meet recovering demand. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	10,856.0	24.57	0.23%
PHILP - PSEI	6,973.4	-3.38	-0.05%
INDONESIA - IDX	6,078.6	-10.47	-0.17%
US - S&P 500	4,223.7	-22.89	-0.54%
CHINA - Shanghai	3,518.3	-38.23	-1.07%
Taiwan - TWII	17,307.9	-63.43	-0.37%
PAK (KSE-100)	48,480.9	-151.66	-0.31%
HK - Hang Seng	28,436.8	-201.69	-0.70%
US - Dow 30	34,033.7	-265.66	-0.77%
INDIA - SENSEX	52,502.0	-271.07	-0.51%

Board Meetings

Scrip	Day	Agenda	Time
HINO	Thursday	ANN A/c 31-Mar-21	10:30 AM
0	0	0	12:00 AM

Source: PSX



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Rating Criteria

Rating - Expected Total Return

Buy - Greater than 10%

Hold - Neither Buy nor Sell

Sell - Less than and equal to -10%

Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCF based DCF methodology.

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